The Borough of Wanaque
New Jersey

Lakeside Manor-Townhouse Properties
(Mountain Lakes Drive)
Redevelopment Investigation Report

A Study to Assist the Wanaque Planning Board in Investigating Whether Certain Properties Located Within the Borough of Wanaque, along Mountain Lakes Drive, Satisfy the Statutory Criteria of the New Jersey Local Housing and Redevelopment Law as
An Area In Need of Redevelopment

Prepared for:
The Borough of Wanaque Planning Board
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Disclaimer-Please Read:

This Report was prepared to assist the Wanaque Planning Board and the Wanaque Borough Council in their deliberations regarding the potential area in need of redevelopment. It is in the sole and exclusive governmental discretion of these public bodies to determine if it is in the best interest of the public to make such a determination. This report is in draft form as of the date printed on the cover and will not be made final until the scheduled date of the Wanaque Planning Board public hearing on this matter, June 16, 2016. This will allow the investigation of the area to continue so as much pertinent evidence may be gathered respecting the properties which may be included in the potential redevelopment area.

1-Introduction

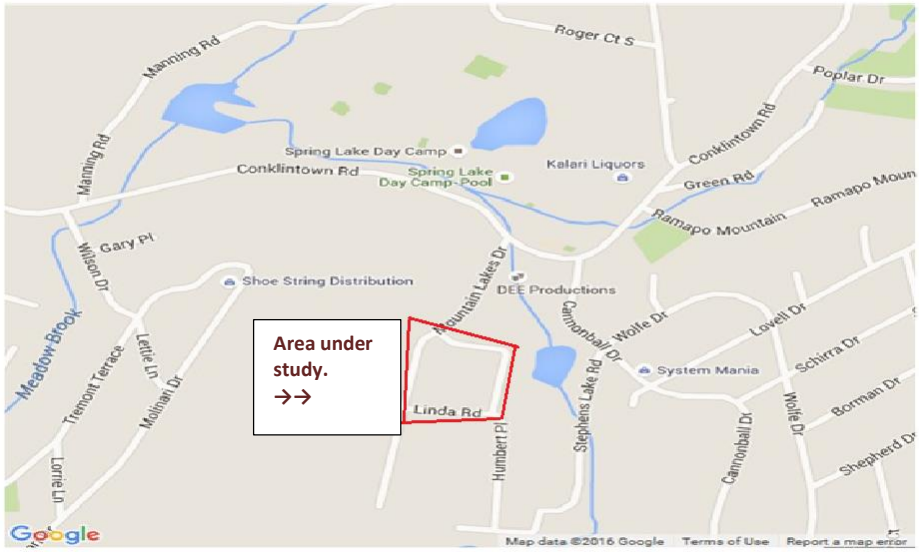
The properties subject to study in this report are atypical. Properties in an idyllic setting which have been abandoned and allowed to become a blighting influence on the general area and, of course, on the parcels themselves. We do not give judgement as to why these conditions occurred but it is clear from the evidence presented in this report that the forty seven properties included in the proposed potential area in need of redevelopment ("ANR") as well as the additional lot located in the general lot (or "Master Lot") satisfy the criteria on an ANR. We have also added one property (Lot 48) which is the "master" lot of the defunct development.

With this background the Borough of Wanaque is conducting a preliminary investigation to determine if certain properties located along Mountain Lakes Drive (north of Linden Avenue) qualify as an area in need of redevelopment. The purpose of this preliminary investigation is to determine if the properties qualify as an area in need of redevelopment as defined by the State of New Jersey Local Redevelopment and Housing Law (LRHL), N.J.S.A. 40A:12A-1 et seq. The redevelopment study area is commonly known as the Lakeside Manor Redevelopment Area.

The Borough of Wanaque, Passaic County, New Jersey, has a population of approximately 10,400 in its 8 square miles. It lies directly to the north of Interstate 287 and several miles east of State Highway 23. The Borough is a suburban community in an urban county, Passaic County. The Borough has a large reservoir and a good portion of the land area is covered by the State of New Jersey Highlands Protection area, which generally prohibits development in environmentally sensitive areas of the State. The area under study is at this time subject to the stringent Highlands standards. However, the original project approvals were given prior to the effective date of the Highlands Act, the New Jersey courts upheld the property owner's position that the property is not subject to the Highlands Act.

So as to acquaint the reader of this Report with the general study area, the following street map of a portion of Wanaque is presented.

Figure 1.



On May 9, 2016 the Borough Council of the Borough of Wanaque adopted Resolution #103-0-16 authorizing and directing the Wanaque Planning Board to undertake a preliminary investigation to determine whether the properties in the proposed redevelopment area qualify under the criteria of N.J.S.A. 40A:12A-5 as an area in need of redevelopment.

The Council identified forty seven (47) properties to be investigated as a potential area in need of redevelopment. The properties, 200.20, Lots 29, 30, 31, 32, 33 and 34 are substantially completed townhouse units.

The following photographs were taken on May 23, 2016 and show the state of these six (6) nearly completed but abandoned townhouse units.

Figure 2a.

Figure 2b.

Block 200.20 Lots 42 through 47 are abandoned townhouse foundations. The following photograph shows the state of disrepair of these foundations.

Figure 3.

This means that twelve (12) taxable parcels have been partially or substantially completed with the remaining thirty five (35) units unbuilt and with no progress toward completion.

It should be noted that the condominium association, Lot 48, has no property assessment, however, because this property is integral to Mountain Lakes Estates it is being included in the property list. The nature of the condominium property is being considered as part of our analysis of each individual parcel (townhouse property).

This Redevelopment Investigation Report has been prepared and is written to assist the Wanaque Planning Board in meeting its obligations of Section 6 of the Local Redevelopment and Housing Law, NJSA 40A:12A-6a, which requires, in part, the following:

> "No area of a municipality shall be determined a redevelopment area unless the governing body of the municipality shall, by resolution, authorize the Planning Board to undertake a preliminary investigation to determine whether the proposed area is a redevelopment area according to the criteria set forth in Section 5 of P.L. 1992. C.79 (C.40A:12A-5)…. The governing body of a municipality shall assign the conduct of the investigation and hearing to the Planning Board of a municipality."

Over the past month evidence has been gathered as to the condition of the potential redevelopment area through several site visits to the properties including in May and June 2016. Our investigation included taking photographs of the exteriors of the properties, reviewing tax assessment and property maintenance records and informally speaking to the contract property owners. We have also researched the zoning ordinances and the initial site plan approval(s) of the project, Mountain Lakes Estates.

2-The Properties under Study (Investigation)

The specific properties being studied in this Report, pursuant to the aforementioned Borough Council resolution, are identified in the following abstract of the Borough's tax map:

Figure 4.
2016 Lakeside Manor
Redevelopment Area Map
Wanaque-Block 200.20, Lots 1 through 48

Tax Map Abstract-Sheet 2.18 Address: Parcel ID	Street Address	Acreage (Parcel Size)
Block 200.20, Lots 1 through 47	Mountain Lakes Drive	Unit footprint per tax map.
Block 200.20, Lot 48	Mountain Lakes Drive	9.750 Acres

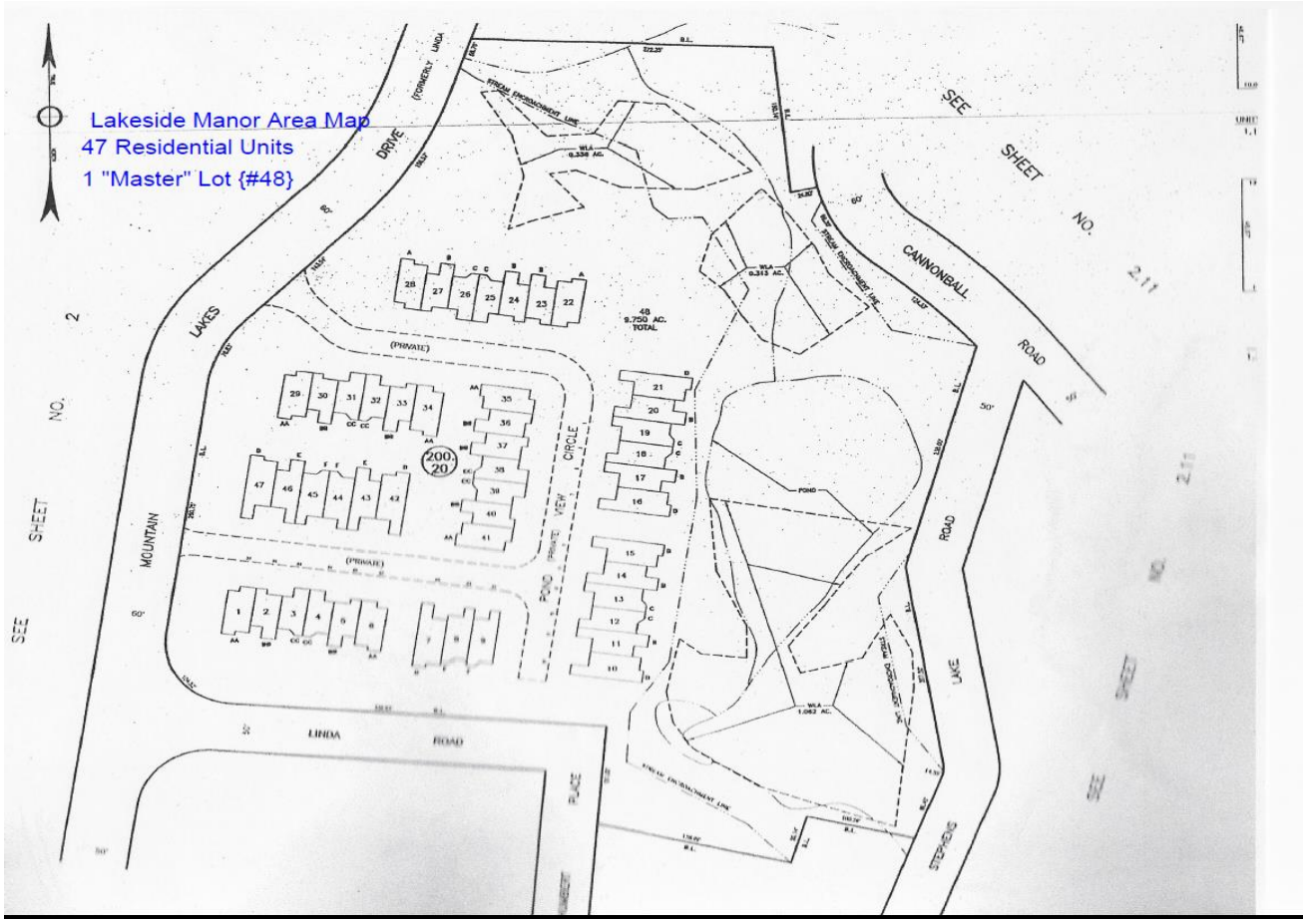


Figure 5.
Identification of Properties under Investigation by the Wanaque Planning Board

Property ID (Block/Lot)	Address	Owner	Approximate Lot Size (
200.20, Lots 29 through 47	Point View Circle	Wanaque realty Corp, Mountain Lakes Estates.	Townhouse Units – 982 s.f. to 1,357 s.f.
200.20, Lots 1 through 28	Point View Circle	J&S Group Inc.	Various townhouse units.
200.20, Lot 48	Mountain Lakes Drive	Unlisted	9.75 acres per tax map.

Note: the tax map indicates the street name as Pond View Circle.

The property at Block 200.20, Lot 48 may be critical when viewed from a total development perspective because of its location and because of the condition of the properties located "within" its confines. In some development or redevelopment scenarios the importance of the location of a property may be sufficient to warrant the property's inclusion in the area in need of redevelopment. While the property (Lot 48) may not be detrimental to the public and may not meet other criteria (see N.J.S.A. 40A:12A-3) it may be still be included in a redevelopment area. As such it is recommended that this property be included in the redevelopment area.

Based on the foregoing analysis forty eight (48) total properties are being studied in this Report. To summarize: This number includes the six (6) substantially completed townhouse units, six (6) fallow foundations, thirty five (35) townhouse parcels, and the master parcel.

The total redevelopment area encompasses approximately 10 acres (+/-).

3-The Statutory Criteria and the Parameters of the Study

Section 5 of the LRHL, NJSA 40A:12A-5 specifies that an area may be determined to be in need of redevelopment if, after investigation, notice, and hearing as stipulated in Section 6 of NJSA 40A:12A, provided the area meets one or more of the following statutory criteria, the text in blue ink are highlighted to depict the criteria applicable to the properties under study:

a. The generality of buildings are substandard, unsafe, unsanitary, dilapidated or obsolescent, or possess any of such characteristics or are so lacking in light, air or space, as to be conducive to unwholesome living or working conditions.
b. The discontinuance of the use of buildings previously used for commercial, manufacturing or industrial purposes; the abandonment of such buildings or the same being allowed to fall into so great a state of disrepair as to be untenantable.
c. Land that is owned by the municipality, the County, a local housing authority, redevelopment agency or redevelopment entity, or unimproved vacant land that has remained so for a period of ten years prior to the adoption of the resolution, and that by reason of its location, remoteness, lack of means of access to developed sections or portions of such municipality, topography or nature of the soil, is not likely to be developed through the instrumentality of private capital.
d. Areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals or welfare of the community.
e. A growing lack or total lack of proper utilization of areas caused by the condition of the title, diverse ownership of real property

therein or other conditions, resulting in a stagnant and a not fully productive condition of land potentially useful and valuable for contributing to and serving the public health, safety and welfare.

f. Areas, in excess of five contiguous acres, whereon buildings or improvements have been destroyed, consumed by fire, demolished or altered by action of storm, fire, cyclone, tornado, earthquake or other casualty in such a way that the aggregate assessed value of the area has been materially depreciated.

g. In any municipality in which an enterprise zone has been designated pursuant to the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.) the execution of the actions prescribed in that act for the adoption by the municipality and approval by the New Jersey Urban Enterprise Zone Authority of the zone development plan for the area of the enterprise zone shall be considered sufficient for the determination that the area is in need of redevelopment pursuant to Sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax exemptions within the enterprise zone district pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or the adoption of a tax abatement and exemption ordinance pursuant to the provisions of P.L.1991.

h. The designation of the delineated area is consistent with smart growth planning principles adopted pursuant to law or regulation.

Furthermore, the LRHL permits the inclusion of parcels that do not meet the statutory criteria, as we noted in our discussion of Block 200.20, Lot 48, if the property is necessary for effective redevelopment of the proposed redevelopment area:

> "A redevelopment area may include land, buildings or improvements which of themselves are not detrimental to the public health, safety or welfare, but the inclusion of which is found necessary with or without change in their condition, for the effective redevelopment of the area of which they are a part." (N.J.S.A. 40A:12A-3.) We believe this provision is applicable to Lot 48.

This report focuses on the substantial evidence supporting the determination that the area under study, forty eight (48) properties, are in need of redevelopment. This report does not present a Redevelopment Plan for this area. A specific Redevelopment Plan will be prepared and subsequently adopted by the Borough Council pursuant to the procedures established within the LRHL.

The findings and opinions regarding the area in need of redevelopment expressed by the authors of this report, Benecke Economics, to the Wanaque Planning Board for their exclusive use and review. The Borough Council may also consider this report as part of their conclusion that the properties qualify (satisfy the statutory criteria) as an area in need of redevelopment, pursuant to the provisions of N.J.S.A. 40A:12A-5. The opinions of Mr. Suljic are provided pursuant to the regulations governing professional planning in the State of New Jersey N.J.S.A. 45:14-1 et seq. The Wanaque Planning Board may or may not rely on these findings and opinions; keeping in mind that the determination of whether these properties do qualify as an area in need of redevelopment is the sole responsibility of the governmental entity after considering all of the evidence and opinions; including those opinions of the property owners and the public.

4-The Lakeside Manor (Townhouse Portion) Redevelopment Area and Properties

The area under study and investigation in this report is located in a scenic neighborhood. The Lakeside Manor redevelopment study area is located in the Highlands area ("Highlands Act," N.J.S.A. 13:20-1 et. seq).

We have researched, in detail, the condition of each property identified by the Borough Council to be potentially included in the Lakeside Manor Redevelopment Area. The following chart identifies the condition of the properties, the pictures submitted to the Wanaque Planning Board, the tax assessment property record cards, and property maintenance violations, New Jersey DEP violations, together with other substantial evidence provided in this Report indicates how each of these properties meets the aforementioned statutory criteria used to determine whether the properties qualify as an area in need of redevelopment.

These conditions are the same as those found in our review of the properties (redevelopment area) conducted over the past month.

The chart depicted below indicates that each of the forty seven (47) properties located in the study area have conditions that are consistent with, and meet the statutory criteria specified in Section 5 of the LRHL, N.J.S.A. 40A:12A-5, and therefore may be found in need of redevelopment. Further, based on the substantial evidence, these properties when considered as one area may be designated as an area in need of redevelopment by the Borough Council. This may only be accomplished after considering all other pertinent testimony and evidence, and upon a finding by the governing body that the public health and welfare will best be served by such a designation.

Figure 6.
Lakeside Manor Redevelopment Area -Mountain Lakes Drive

Identification of Property Conditions under Investigation by the Wanaque Planning Board and the Application of Statutory Criteria.

Property ID (Block/Lot)	Property Condition (With Recent Maintenance Issues)	Applicable Criteria
Block 200.20 Lots 29-47	Abandoned construction site. Buildings and building foundations in various states of construction left to deteriorate.	a, c, d, e, f
Block 200.20 Lots 1-28	Vacant property which is a part of the Lakeside Manor site plan area.	c, e
Block 200.20, Lot48	Master property. Vacant	c, e

5-Specific Criteria-Growing Lack of Proper Utilization-**Criterion e**

The statutory criterion, e, is applicable in circumstances where an identifiable underutilization or lack of proper utilization of properties in a redevelopment study area exists. The condition of lack of proper utilization may be the result of property ownership and title problems, property configuration, or other conditions that limit the economic viability and marketability of the properties in a study area and depress property values. Properties that meet criterion e may include parcels with limited improvements (buildings) not meeting their full market potential, properties that exhibit poor design and arrangement consistent with criteria d, or properties in an area not developed in a manner consistent with the objectives of a municipality's zoning and master plan.

Lakeside Manor was initially designated as Block 200, Lot 8.09. After subdivision and site plan approval the tax map was re-drawn as Block 200.20. Briefly, this residential project was approved in 1989 as a sixty four (64) unit multi-family attached residential dwelling project (townhomes). This approval and project was then reduced to forty-seven (47) units in August 2000 because of property constraints.

Mountain Lakes Estates is a separate residential project designated as Block 200, Lots 8, 28, 29, 30 and 32. The site plan application was approved in 1988 for one-hundred fifty one (151) single family residential units. In April 2000 the project was reduced to one hundred twenty-eight (128) units. The total combined potential units of Lakeside Manor and Mountain Lakes Estates is one hundred seventy five (175) residential units.

Again, the properties under study are located in the Highlands area. Today, or any time after March 2004, the combined project area would have generated thirty five (35) affordable housing units. These 35 affordable units would be part of the Highlands development approval and included in the Borough's RDP and affordable housing inventory.

However, the site plan approvals required a contribution to the Borough's affordable housing trust fund pursuant to Borough Ordinance 9-0-00.

In 2002 the developer abandoned construction of the project. However, litigation ensued as the developer sought to protect his development rights from the disapproval of the project by the New Jersey Highlands Council. The Highlands Council and NJDEP were under the impression that because the project was dormant the project approvals were no longer valid. Again, after March 2004 the Highlands Act took zoning control from the Borough and placed project approvals in the hands of the State of New Jersey.

On July 28, 2005 the developer filed a combined application for a Highlands Applicability Determination stipulating that these projects had site plan approval and NJDEP water and sewer permits approved before the March 29, 2004 cut-off date for applicability of the applied for Highlands Act exemption. The NJDEP denied the application partly because the sewer and water permits expired. Also, the NJDEP questioned the validity of the local site plan approvals. However, the Borough was not a party in the litigation. Further, NJDEP legal counsel stipulated as to the validity of the site plan approvals.

On August 1, 2011 the Appellate Division issued a final decision in a challenge to the Highlands Act (N.J.S.A. 13:20-1 to -35) by the developer. The court overturned the decision of Highlands Council and NJDEP thereby ruling in favor of the developer that the project may proceed.

The Borough has worked with the previous property owner to bring about a successful development. For example, in 2014 the portion of Lakeside Manor (townhouse project) having unfinished structures (twelve lots) had a land assessment of $60,000 and an improvement (building) value of $10,000, a total tax assessment of $70,000 per townhouse unit.

The portion of Lakeside Manor (townhouse project) having vacant land had a 2014 local tax assessment of $60,000 per lot. In total the townhouse portion of Lakeside Manor had a total tax assessment of $2,940,000. This is a total estimated property tax of $95,873 (in 2015 dollars).

In 2015 the property tax assessment was changed to $15,000 per lot, or $705,000 in total, and a property tax of $22,990. This saved the property owner (developer) approximately $62,000 annually.[1]

A new property owner (developer) of the Lakeside Manor townhouse project has come forward in 2016. The project lands and infrastructure have been in a state of disrepair and partially finished for over thirteen years.

The preceding analysis provided in Section 4 and Section 5 of this report provides substantial evidence that the properties in the area under study, included in Block 200.20, are deleterious, stagnant and underutilized and a growing lack of utilization is evident. These properties meet the statutory tests under several criteria. Further, the public safety, health and welfare is being harmed by having the townhouse portion of Lakeside Manor in a deleterious and unsafe condition.

6 Specific Criteria-Smart Growth Consistency-**Criterion h**

Smart growth is an approach to planning that directs new growth to locations where infrastructure and services are available, limits sprawl development, protects the environment, and enhances and rebuilds existing communities. The New Jersey Office of Smart Growth (OSG) defines smart growth as "well-planned, well-managed growth that adds new homes and creates new jobs, while preserving open space, farmland, and environmental resources. Smart growth supports livable

[1] While perhaps beyond the scope of this report we estimate the average per unit value to be $300,000. The total tax to be generated if this project were to be built would be $459,801. This is $9,783 per unit.

neighborhoods with a variety of housing types, price ranges and multi-modal forms of transportation." When applied as recommended by OSG, smart growth is epitomized by compact, transit accessible, pedestrian-oriented, mixed-use development and land uses.

The State of New Jersey Development and Redevelopment Plan also addresses smart growth principles. Adopted on March 1, 2001, the New Jersey State Development and Redevelopment Plan (SDRP) provides a comprehensive planning framework for the future of New Jersey, including the application of smart growth principles throughout the state. The SDRP calls for focusing growth in areas with existing infrastructure and investment, (cities, suburbs, towns) and away from environmentally sensitive areas. Hence, our focus on the Highlands Act.

The primary policy objective of the SDRP in areas lying outside of metropolitan and suburban planning areas is to focus development and redevelopment in appropriately located and designed centers to accommodate growth that would otherwise occur in the environs. Development and redevelopment in the environs should not exceed the carrying capacity of the area and should maintain or enhance the character of the environs. The SDRP designates Wanaque as planning area one PA-1, the preferred designation for development, however, 87% of Wanaque now is located in the Highlands protection area.

As recommended in the SDRP, redevelopment can be an effective implementation strategy to strengthen existing and create new centers. The SDRP policies include:

> "Encourage appropriate redevelopment in existing centers and existing developed areas that have the potential to become centers, or in ways to support center-based development to accommodate growth that would otherwise occur in Environs. Redevelop with intensities sufficient to support transit, a broad range of uses, efficient use of infrastructure, and design that enhance public safety, encourage pedestrian activity, reduce dependency on the automobile and maintain the rural character of the centers." (SDRP, p. 210)

Redevelopment is also recognized as a legitimate planning tool within centers a stated goal of the SDRP is to:

> "Encourage environmentally appropriate redevelopment in existing Centers and existing developed areas that have the potential to become Centers or in ways that support Center-based development to accommodate growth that would otherwise occur in the Environs. Redevelop with intensities sufficient to support transit, a range of uses broad enough to encourage activity beyond the traditional workday, efficient use of infrastructure, and physical design features that enhance public safety, encourage pedestrian activity and reduce dependency on the automobile to attract growth otherwise planned for the Environs." (SDRP, p. 219)

By redeveloping the townhouse portion of Lakeside Manor consistent with the land use planning goals stated in the Borough's 1992 revised Master Plan and the SDRP the Borough can achieve an improved sense of neighborhood and "smart growth" community development favored by the State Planning Commission and enumerated in the SDRP.

The use of redevelopment in cooperative approach with the new contract property owner(s) will enable them to take quick and coordinated action in redeveloping their properties consistent with the goals of the Borough's Master Plan and the SDRP.

It follows that a redevelopment designation is consistent with criterion h of the LRHL. Accordingly, the designation of the properties as an area in need of redevelopment will effectuate the implementation of the smart growth planning principles adopted by the State Planning Commission in a manner recommended in its SDRP. This criterion indicates that an area may be designated in need of redevelopment if "the designation of the delineated area is consistent with smart growth planning principles adopted pursuant to law or regulation."

7-Final Recommendation

As set forth in this report the aforementioned forty eight (48) properties, as identified in Figures 4 and 5 qualify as an "Area in Need of Redevelopment" in accordance with N.J.S.A. 40:12A-5.

Upon hearing testimony from the affected property owners and the public, and after visiting the properties in the area under investigation (study), the Wanaque Planning Board should consider recommending to the Borough Council that the properties identified in this report, Block 200.20, Lots 1 through 48 be immediately designated as an area in need of redevelopment.

Further, the Wanaque Planning Board should consider recommending to the Borough Council that a Redevelopment Plan be immediately prepared and adopted by the Council utilizing the existing zoning and site plan approvals in accordance with the requirements of the Local Redevelopment and Housing Law.

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